(d) the estimates, if any, Government have in regard to the black money deposited with foreign banks (particularly in Swiss Banks); and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (e) There is no verifiable information available about black money deposited with Swiss banks or other foreign banks.

Whenever any case of suspected unauthorized maintenance/operation of accounts abroad by persons resident in India comes to the notice of the Directorate of Enforcement, appropriate action under Foreign Exchange Management Act and Regulations made thereunder, including for repatriation of funds lying in such accounts, is taken. However, no roving enquiries are made.

Further, Government has taken appropriate action, from time to time, whenever information regarding money deposited in foreign bank accounts in violation of direct tax laws is received. Efforts have also been made to get bank related information while pursuing investigations in cases of tax evasion and tax avoidance through requests in terms of provisions regarding exchange of information in various Double Taxation Avoidance Agreements (referred to as tax treaties) entered by India with foreign countries. Information so received is used for determining tax liability of the tax payers. Our tax treaty partners can also be requested to assist in collection of tax claim, if the tax treaty with that country contains specific provisions for assistance in collection of taxes. In accordance with currently prevailing international practice, tax treaties do not have provision for seeking repatriation of money deposited abroad.

Whenever efforts were made to seek bank related information under the tax treaty between India and Swiss Confederation, the Swiss Federal Tax Administration expressed its inability to exchange the information regarding bank deposits of Indian residents as the information was not necessary for the application of the tax treaty between India and Swiss Confederation but was required only for the enforcement of Indian internal laws. They also replied that such information was not at their disposal under Swiss laws in the normal course of tax administration.

Government has written to its treaty partners for entering into renegotiation of tax treaties in order to widen the scope of Article concerning exchange of information by specifically providing for exchange of bank related information. With respect to Swiss Confederation the first round of negotiation was held at Berne from 10th November, 2009 to 12th November, 2009. Government has also written to prioritized non-treaty countries for entering into negotiations for Agreement for Exchange of Information and Assistance in Collection of Taxes. The Central Board of Direct Taxes has also alerted its investigation units to pursue on top priority any information regarding any undisclosed money illegally parked in banks outside the country.

Purchase of Gold by RBI

†1283. SHRI Y.P. TRIVEDI: Will the Minister of FINANCE be pleased to state:

†Original notice of the question was received in Hindi.

(a) whether the Reserve Bank of India (RBI) recently purchased 200 tonnes of Gold from International Monetary Fund (IMF); and

(b) if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) and (b) Yes, Sir. The Reserve Bank of India (RBI) has purchased 200 metric tonnes of gold from the International Monetary Fund (IMF) under the IMF's limited gold sales programme. This has been done as part of RBI's foreign exchange reserve management operations. The purchase has increased the ratio of gold holdings to that of foreign exchange with RBI.

Allowances and fringe benefits for Government employees

1284. SHRI RAMA CHANDRA KHUNTIA: Will the Minister of FINANCE be pleased to state whether it is a fact that the Government employees and officers are not getting allowances and fringe benefits at par with nationalized bank although Hon'ble Supreme Court has given an order to give them salary, DA and other allowances at par with nationalized bank?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): Central Government employees are granted pay and allowances based on the recommendations of successive Pay Commissions. The salary, DA and allowances applicable at present are based on the recommendations of the Sixth Pay Commission as accepted by the Government.

Harassment of common investors

1285. SHRI MOINUL HASSAN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that common investors are harassed by broker in trading and dematerialized account;

(b) if so, whether Government is going to survey the situation; and

(c) whether Government would give any direction to Security and Exchange Board of India (SEBI) to look into the matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) The Securities and Exchange Board of India (SEBI) receives complaints against all registered intermediaries associated with securities market including stock brokers and depository participants on matters relating to trading and demat accounts respectively. The complaints from investors, as and when received by SEBI are forwarded to the concerned Stock Exchange and Depository, who are suitably empowered to resolve the grievances, for redressal. The complaints received by SEBI, do not indicate that common investors are generally harassed by brokers.

(b) The stock exchanges and depositories have their own administrative mechanism for handling and redressing the investor complaints. In terms of the SEBI (Stock Brokers and